IN THE HIGH COURT OF GUJARAT AT AHMEDABAD

COMPANY PETITION No. 287 of 1999

For Approval and Signature:

HONOURABLE MR.JUSTICE M.R. SHAH

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1 Whether Reporters of Local Papers may be allowed to see the judgment ?

2 To be referred to the Reporter or not ?

3 Whether their Lordships wish to see the fair copy of the judgment ?

4 Whether this case involves a substantial question of law as to the interpretation of the constitution of India, 1950 or any order made thereunder ?

5 Whether it is to be circulated to the civil judge ?

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IDEAL INDUSTRIAL MACHINE SHOPS - Petitioner(s)
Versus
M.H. MILLS & INDUSTRIES LTD. - Respondent(s)

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Appearance :
MR MEHUL S SHAH for Petitioner(s) : 1,MR SURESH M SHAH for Petitioner(s) : 1,
NANAVATI ASSOCIATES for Respondent(s) : 1,

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CORAM : HONOURABLE MR.JUSTICE M.R. SHAH
Date : 15/12/2006

ORAL JUDGMENT

Present Company Petition has been filed for winding up of the respondent Company, i.e. M.H. Mills & Industries Ltd., under the provisions of the Companies Act, 1956.

2. Earlier, this Company Petition was adjourned from time to time as the company was before the BIFR and was declared as a Sick Industrial Company. By way of Additional Affidavit, it has been submitted that the Scheme of Arrangement was submitted before this Court, and by Judgment and Order dated 1.7.2006, the learned Single Judge of this Court in Company Petition No. 25 of 2006 has sanctioned the Scheme of Arrangement in the nature of compromise with various classes of creditors and restructuring of debts, Demerger and Transfer of the Packaging Division of MH Mills and Industries Limited to M.H. Packaging (India) Limited and Reduction and Reorganisation of Capital under Section 100 read with Sections 391 to 394 of the Companies Act, 1956. It is not in dispute that the Scheme of Arrangement which has been sanctioned by this Court is binding to all creditors, secured and unsecured and also others. On going through the order passed by this Court sanctioning the Scheme

of Arrangement in the nature of compromise, it is clear that as per Clause 3.5, sub-clause (vii), unsecured creditors like petitioner are required to be paid their dues. Thus, the petitioner is entitled to its dues as per the Scheme sanctioned by this Court, and more particularly under Clause 3.5 (vii) the aforesaid amount is to be paid in 5 different installments on or before 31st December 2010. In view of the sanction of the scheme, no further order is required to be passed on the present petition which is for winding up of the respondent Company during implementation of the aforesaid Scheme of Arrangement. Under the circumstances, this petition is disposed of at this stage. No costs. It is obvious that in case scheme is not complied with, it will be open for the petitioner to take appropriate steps in accordance with law before appropriate forum.

[M.R. Shah, J.]

rmr.